

Hearing Date: February 17, 2011
Hearing Time: 10:00 a.m. (prevailing Eastern time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	
)	Chapter 11
DPH HOLDINGS CORP., <i>et al.</i> ,)	
)	Case No. 05-44481 (RDD)
)	
Reorganized Debtors.)	Jointly Administered

**REORGANIZED DEBTORS' STATEMENT OF DISPUTED ISSUES
WITH RESPECT TO PROOF OF CLAIM NUMBER 12140
(KAUTEX INC.)**

("STATEMENT OF DISPUTED ISSUES – KAUTEX INC.")

DPH Holdings Corp. and certain of its affiliated reorganized debtors in the above-captioned cases (collectively, the "Reorganized Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 12140 filed by Kautex Inc. ("Claimant") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005, Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates (collectively, the "Debtors"), predecessors of the Reorganized Debtors, filed voluntary petitions under chapter 11 of the title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of

New York.

2. On July 28, 2006, Claimant filed proof of claim number 12140 (the “Claim”) against Delphi. The Claim asserts a general unsecured non-priority claim in the amount of \$1,113,768.00 relating to chargebacks and other costs allegedly incurred by Claimant related to goods supplied to it by Delphi.

3. On November 6, 2009, the Reorganized Debtors objected to the Claim pursuant to the Reorganized Debtors’ Thirty-Eighth Omnibus Objection Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To (I) Expunge Certain (A) Equity Interests, (B) Books And Records Claims, (C) Untimely Claims, (D) Pension, Benefit, And OPEB Claims, And (E) Workers’ Compensation Claims And (II) Modify And Allow Certain Claims (Docket No. 19044) (the “Objection”).

4. On December 2, 2009, Claimant filed its response to the Objection (Docket No. 19139) (the “Response”).

5. October 6, 2009, the Debtors substantially consummated the First Amended Joint Plan Of Reorganization Of Delphi Corporation And Certain Affiliates, Debtors And Debtors-In-Possession, As Modified (the “Modified Plan”), which had been approved by this Court pursuant to an order entered on July 30, 2009 (Docket No. 18707), and emerged from chapter 11 as the Reorganized Debtors. Article 9.6(a) of the Modified Plan provides that “[t]he Reorganized Debtors shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving all Claims against, and Interests in, the Debtors and making distributions (if any) with respect to all Claims and Interests.”

Disputed Issues

A. Delphi Does Not Owe Claimant The Amount Asserted In The Claim

6. The Reorganized Debtors have reviewed the information attached to the Claim and the Response and dispute the amount asserted in the Claim. Instead, the Reorganized

Debtors assert that the Claim should be disallowed and expunged in its entirety.

7. The Claim Has Been Satisfied In Full. On December 19, 2003, Claimant issued a debit memorandum to Delphi for \$1,113,768.00 for costs incurred by Claimant in connection with purported quality issues relating to goods sold to it by Delphi.¹ The basis for the Claim is the same purported quality issues noted in the debit memorandum, and the amount asserted in the Claim is the exact amount asserted in the debit memorandum. By Claimant's own admission, it issued "debit memos against December [2003] shipments to Delphi for \$1,113,768."² By virtue of Claimant's December 2003 debits to Delphi and, correspondingly, Claimant's subsequent reduced payments to Delphi, any liability of Delphi in connection with these purported quality issues was already satisfied in full by Delphi.

8. In addition, the Claim and Response are deficient and substantively lacking in support for the purported costs incurred by Claimant in connection with the quality issues alleged.

9. Moreover, the Reorganized Debtors' books and records for this vendor reflect a zero balance. Accordingly, the Claim should be disallowed and expunged in its entirety.

Reservation Of Rights

10. This Statement Of Disputed Issues is submitted by the Reorganized Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (I) Dates for Hearings Regarding Objections to Claims And (II) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Reorganized Debtors' submission of

¹ See Exhibit B attached to Claimant's Response.

² *Id.*

this Statement Of Disputed Issues is without prejudice to (a) the Reorganized Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the Reorganized Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction or reclassification of the Claim.

WHEREFORE the Reorganized Debtors respectfully request that this Court enter an order (a) disallowing and expunging the Claim in its entirety and (b) granting the Reorganized Debtors such other and further relief as is just.

Dated: New York, New York
December 21, 2010

BUTZEL LONG, a professional corporation

By: /s/ Eric B. Fisher

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CERTIFICATE OF SERVICE

I hereby certify that on December 21, 2010, a true and correct copy of the Reorganized Debtors' Statement Of Disputed Issues With Respect To Proof of Claim No. 12140 (Kautex Inc.) was served by Fax to the following persons at the following addresses:

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Dated: Detroit, Michigan
December 21, 2010

/s/ Alexis L. Richards
Alexis L. Richards